

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1951
ANSWERED ON:03.08.2001
FUNCTIONING OF INDEPENDENT REGULATORY AUTHORITIES
SUNIL KHAN

Will the Minister of FINANCE be pleased to state:

(a) whether the functioning of the independent regulatory authorities is being brought under the purview of the audit by statutory bodies like the CAG because of recent events in stock market and telecom sector; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE FOR FINANCE (SH. BALASAHEB VIKHE PATIL)

(a) Conduct of audit of the accounts of the concerned regulatory bodies is done as per the provisions in the respective Acts under which these regulatory bodies have been set up.

(b) Information pertaining to Securities and Exchange Board of India (SEBI), Telecom Regulatory Authority of India (TRAI) is enclosed

SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 NO.15 OF 1992

15(2) The accounts of the Board shall be audited by the Comptroller and Auditor General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor General of India.

15(3) The Comptroller and Auditor General of India and any other person appointed by him in connection with the audit of the accounts of the Board shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor General has in connection with the audit of the Government accounts and in particular shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board.

THE TELECOM REGULATORY AUTHORITY OF INDIA ACT, 1997 NO.24 OF 1997

23. Accounts and audit

(2) The accounts of the Authority shall be audited by the Comptroller and Auditor General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Authority to the Comptroller and Auditor General of India.

(Explanation: For the removal of doubts, it is hereby declared that the decisions of the Authority taken in the discharge of its functions under clause (b) of sub-section(1) and sub-section(2) of section 11 and section 13, being matters appealable to the Appellate Tribunal, shall not be subject to audit under this section)

(3) The Comptroller and Auditor General of India and any other person appointed by him in connection with the audit of the accounts of the Authority shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor General generally has, in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Authority.